

Babcock & Wilcox

a McDermott company

Power Generation Group

20 S. Van Buren Avenue
P.O. Box 351
Barberton, OH 44203-0351
(216) 753-4511

October 15, 1991

Intermountain Power Project
Department of Water & Power
City of Los Angeles
P.O. Box 111, Room 658
Los Angeles, CA 90051

Attn: Mr. J.W. Scofield

Re: Intermountain Power Project
B&W Ref: RB-614/615
Subject: Burners

Gentlemen:

In response to our recent discussions with R.K. Krikorian, B&W is pleased to quote fabrication and shipment (FOB jobsite) for 48 modified dual register burners (DRB's) for unit #1. For reference, these modified DRB's are shown on sketch #SK41791E-0, dated 4/1/91. Engineering and material procurement for these burners are covered by B&W quote letters dated 8/30/91 and 9/12/91, both of which have been accepted by IPP.

Firm price for this work is \$625,000. Terms of payment are 50% upon start of shop fabrication; 50% upon final shipment. Invoices will be due and payable 30 days from date of issuance. This quote is valid for acceptance within 30 days; however, in order to have the burners on site in time for your spring 1992 outage (starts 4/18/92), B&W needs written acceptance of this quote and release to proceed by 10/18/91, or earlier, to maintain the fabrication/shipment schedule, copy attached. A copy of B&W's warranty for these new burners is also attached.

B&W looks forward to working with IPP on this burner replacement project. Please advise any questions or comments, as well as your decision on this quote.

Very truly yours,



C.A. Palmberg, Project Manager

CAP5271:nk

cc: RK Krikorian - IPP, LA w/att.
JP Misto - IPP, Delta w/att.

IP7_003937

Schedule - IPP Burners - Unit #1

<u>Company</u>	<u>Event</u>	<u>Date</u>
IPP	Fabrication Quote Approval & Release to Proceed	10/18/91
B&W	Complete Detail Engineering	10/25/91
B&W	Start Shop Fabrication	11/1/91
B&W	Shipment To Jobsite	4/10/91
IPP	Receipt At Site	4/17/91

Note: Outage Starts 4/18/91

CAP - 9/30/91

IP7_003938

WARRANTY

The COMPANY warrants that the modified Dual Register Burners as described in this quote shall be free from defects in workmanship. This Warranty shall terminate one (1) year from the date of initial operation (first firing) or eighteen (18) months after completion of shipment of the burners, whichever occurs first.

In the event of noncompliance with this Warranty, the COMPANY shall, at its option, modify, adjust, repair or replace FOB jobsite (on a straight time basis only) any part of parts of the burners which fail to conform to such warranty.

If the COMPANY cannot or does not modify, adjust, repair or replace a defective part within a reasonable time after written notice of such defect is received by the COMPANY, or if an emergency exists rendering it impossible or impracticable for the PURCHASER to have the work performed by the COMPANY, THE PURCHASER, after written notice to the COMPANY, may make or cause to be made such modification, adjustment, repair or replacement, in which case the COMPANY will reimburse the PURCHASER for the reasonable cost thereof (on a straight time basis only).

This warranty does not cover the effects of normal wear, tear, deterioration or abuse of the burners; or the effects of abrasion, erosion, or corrosion; or the effects of improper storage or erection; or operation or maintenance not in accordance with the COMPANY's Operating Instructions and other conditions of service specified, and in accordance with generally accepted utility practice; or the effects of heat or thermal expansion.

The Company shall have no obligation hereunder until the PURCHASER has made the burners available for any repair or replacement required. Further, the COMPANY shall not be responsible for equipment or parts furnished by others or repairs or work done by others unless the same is specifically ordered by the COMPANY.

The sole liability of the COMPANY and the exclusive remedy of the PURCHASER arising out of the manufacture, sale, furnishing or erection of the burners hereunder or its use whether arising out of contract, tort (including negligence), strict liability, or otherwise, shall be the modification, adjustment, repair or replacement as set forth above.

IN CONSIDERATION OF THE ABOVE EXPRESS WARRANTY, ALL OTHER WARRANTIES, OTHER THAN TITLE, EITHER EXPRESSED OR IMPLIED, STATUTORY, EQUITABLE, WRITTEN, ORAL OR ARISING UNDER CUSTOM OF TRADE, INCLUDING WITHOUT LIMITATION THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE EXCLUDED FROM THIS BURNER OFFERING.

CAP5264

CAP 9/30/91

IP7_003939